



ST. CHARLES
SINCE 1834

AGENDA ITEM EXECUTIVE SUMMARY

Title:	Recommendation to Retain Professional Services to Undertake East Gateway Business District Eligibility Study
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Presenter:	Chris Aiston
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Please check appropriate box:

	Government Operations		Government Services
X	Planning & Development (3/12/12)		City Council
	Public Hearing		

Estimated Cost:	\$25,000	Budgeted:	YES	X	NO	
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If NO, please explain how item will be funded:

Executive Summary:

Under Illinois state law, a municipality may designate a Business Development and Redevelopment District. The purpose of such a district designation is “to strengthen the tax base of the subject district, to assure opportunities for district development or redevelopment, and to attract sound and stable commercial growth within the district.” Per our October 10, 2011 presentation to the Committee, staff sought proposals from professional consultants to undertake the required eligibility study and, as appropriate, develop the plan for the area in question (properties fronting or immediately proximate to East Main Street, and located from Seventh Avenue to the City’s eastern corporate limits). Staff received and reviewed four proposals and is recommending the City contract with Ehlers & Associates (teamed with Houseal Lavigne Assoc.) for the aforesaid professional consulting services.

If eligible for designation, and if the City approves a plan for its development and redevelopment, the East Main Street commercial corridor can benefit from the City imposing a modest retail tax (0.25 to 1.0 cent on the dollar) on the sale of most goods within the district, as authorized by state law. Further pursuant to the law, the resulting revenues must be placed in a special fund used to create economic development-related improvements and programs benefiting those properties specifically located within the district itself, including business retention and attraction incentives.

Attachments: *(please list)*

Summary of Proposals Received; Contract with Ehlers

Recommendation / Suggested Action *(briefly explain):*

Recommend City retains Professional Consultant (Ehlers & Associates) to undertake East Gateway Business District Eligibility Study and, as appropriate, to prepare District Redevelopment Plan

For office use only:

Agenda Item Number: 3a

Proposed East Gateway Business Redevelopment District

Undertaking the Statutory Eligibility Study and Creating the District Redevelopment Plan

Results of City's Request for Proposals (RFP) Process

Consulting Firm Name	POC Name	POC Phone No. & email address	Proposed Fee
Ehlers / Houseal Lavigne	Nancy Hill	630-271-3343 nhill@ehlers-inc.com	\$25,000
Teska Associates, Inc.	Kon Savoy	847-869-2059 ksavoy@teskaassociates.com	\$27,290
SB Friedman	Geoff Dickinson	312-424-4250 gdickinson@abfriedman.com	\$29,950 - \$32,950
Kane, McKenna & Associates	Bob Rychliki	312-444-1702 rrychlicki@kanemckenna.com	\$41,000 - \$61,000

Scope of Services

Project Approach and Work Program

Ehlers will provide the following services listed below for the development, qualification and adoption of the proposed Business District. At the end of this section is a flow chart graphically showing the various phases and key tasks.

Phase I - Address Area Eligibility

The focus of Phase I is to determine the boundaries of the proposed Business District, conduct field surveys and data analysis, establish Project Area eligibility, and document findings in an Eligibility Report. In Phase I, Ehlers will:

- Convene a project initiation meeting with representatives of the City to launch the project and explore the establishment of a Business District as a tool, as well as other economic development tools (see “Meetings” on page 15).
- Review the project area to ascertain project parameters and determine whether it appears to qualify under the standards for Illinois Business District Law.
- Establish Project Area Boundary. During the project initiation meeting, preliminary Project Area boundaries will be discussed. With assistance from Houseal Lavigne, Ehlers will map these boundaries and make recommendations for alterations based on information gathered. For similar projects, Ehlers has made recommendations about the boundaries so that the area provides income for improvements within the District, and also encourages a large enough redevelopment effort to stimulate development in surrounding areas surrounding. When finalized, the City will confirm parcel identification numbers (PINs) and addresses to be included in the Project Area Boundary and will provide the Legal Description for the boundary of the proposed Business District.
- Review each parcel according to the criteria set forth in the Illinois Business District Act. As part of the Comprehensive and Subarea Planning process, Houseal Lavigne has gathered detailed information about properties within the proposed boundaries. Additional information will be gathered to ascertain if the qualifying criteria are present for designation according to the Illinois Business District law.
- Document all criteria and data related to the Business District.
- Determine if, and under what categories, the area qualifies as a Business District.
- Review the evidence criteria and create a record supporting the “But For” provision of the Illinois Business District Law.
- Prepare documentation of findings according to the Illinois Business District Law.

- Evaluate the feasibility of other economic development tools that may enhance the use of a Business District, such as Tax Increment Financing or Special Service Areas. Issues related to the intersection of Kirk Road and Illinois Route 64 and the area around the Charlestown Mall have received particular attention in the City's ongoing Subarea Plan. For these key properties, Business District taxes may not raise enough revenue to fill a developer's financial gap. Ehlers had made recommendations in similar projects to use Business Districts in combination with TIF Districts, for example.
- Provide a report to the City describing and documenting the Eligibility of the proposed Business District and feasibility of other economic development tools that may enhance the use of a Business District.

Fee for Phase I – Address Area Eligibility:

\$12,000

Phase II - Prepare Business District Plan

In Phase II, materials for the Business District Plan are developed and a document for City Council adoption is prepared. The Business District Plan is required to initiate the public hearing process and serves as the basis of the ordinance(s) establishing the Business District and any Business District sales or hotel/motel taxes. In Phase II, Ehlers will:

- Prepare Business District Plan document according to the Illinois Business District Law, including:
 - A general description of the Business District boundaries and a map.
 - The eligibility findings from Phase I.
 - A general description of each project proposed to be undertaken within the Business District.
 - Estimated Business District project costs and anticipated sources of funds to pay business district project costs.
 - A comparison of the Business District to the Comprehensive Plan. The final Comprehensive Plan provided by Houseal Lavigne will contain recommendations for land use, traffic improvements, and economic development incentives targeted for the proposed Business District area. The goals and objectives in the Comprehensive Plan will be reflected in the Business District Plan.
 - The anticipated type and terms of any obligations to be issued.
 - The rate of any tax to be imposed in the Business District and the period of time for which the tax shall be imposed.
- Provide a final Map of the Business District in both PDF and GIS formats.

Fee for Phase II – Prepare Business District Plan:

\$9,000

Phase III - Adoption of Business District

The Business District Act outlines a specific adoption process, which includes a required public hearing and concludes with the City's action on the adopting ordinance(s). In Phase III, Ehlers will:

- Confer with City and its Attorney(s) on the construction of an adoption timeline.
- Assist with drafting ordinance(s) designating the Business District. Ehlers will furnish sample copies of ordinances, as requested.
- Assist with drafting public notices. Ehlers will furnish sample copies of notices and advertisements if requested. The City will be responsible for all public notifications and advertisements.
- Attend and make a presentation at a local business owners meeting with City staff (see "Meetings" below).
- Attend and make a presentation to City's Planning and Development Committee (see "Meetings" below).
- Attend and make presentation at a public hearing held by the City Council (see "Meetings" below).
- Provide Business District Plan Amendments, if required as a result of the public participation process and agreed to by the City.
- Upon approval by the City Council, assist the City in submitting all forms and data based on information in the report to the Illinois Department of Revenue.

Fee for Phase III – Business District Adoption: \$4,000

Meetings and Progress Reports

Throughout the process, Ehlers will draw upon Houseal Lavigne's experience with City staff, residents, businesses, and property owners. This will afford a seamless interaction between the Comprehensive Plan and the meetings for the proposed Business District.

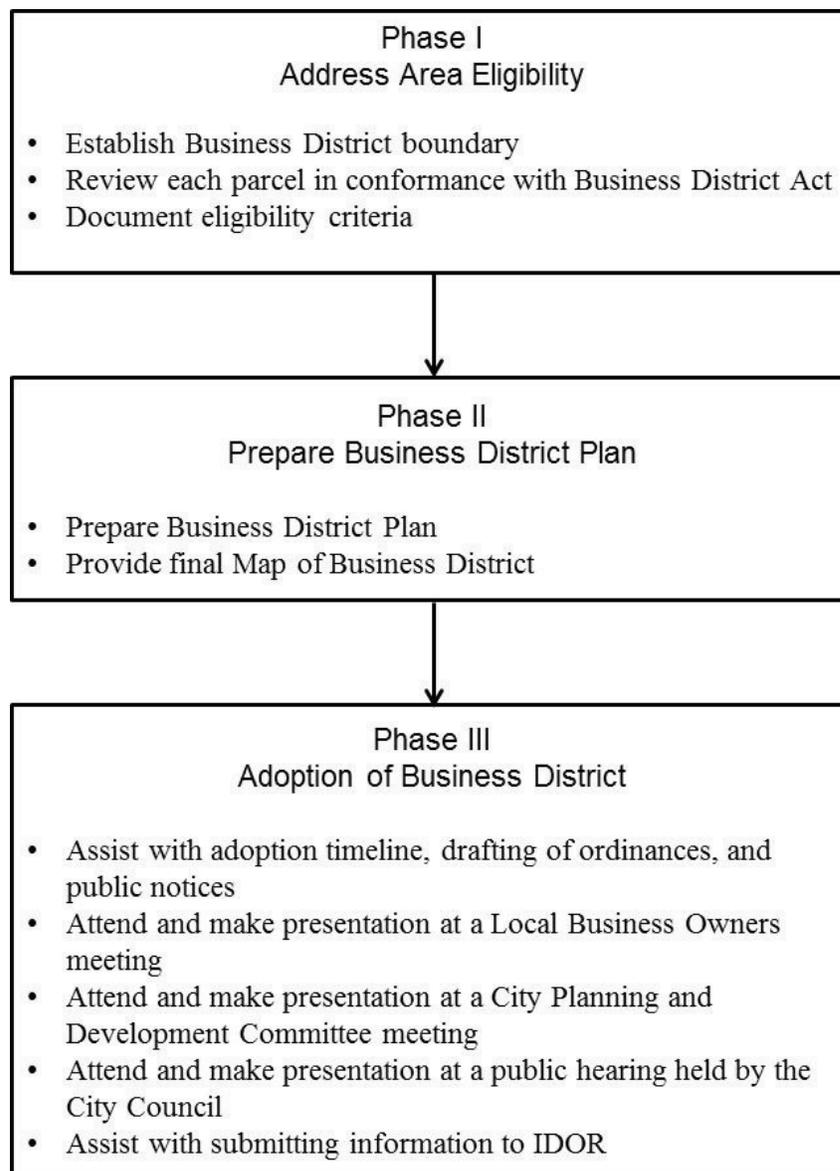
In response to the City's expectations as stated in its RFP, the following meetings and progress reports are proposed:

- A project initiation meeting with representatives of the City to launch the project and to coordinate various steps.
- A meeting with City staff members to review eligibility findings.
- A meeting with City staff to review the draft Business District Plan.
- A local business owners meeting with City staff.

- A Planning and Development Committee meeting.
- A Public hearing held by the City Council on the proposed Business District.
- A monthly progress report and research information related to the project.

All services will be performed in conjunction with designated staff of the City and the community's designated attorney. All attorney expenses are to be assumed by the City.

Figure 1: Project Work Program Flow Chart



Project Schedule

The proposed time line for each phase is presented below. Ehlers will begin project work immediately after authorization from the City of St. Charles.

Phase I – Address Area Eligibility	4 to 6 weeks
Phase II - Prepare Business District Plan	3 to 4 weeks
Phase III - Adoption Business District	30 to 60 days

Some contingency times have been included in the time line. However, adherence to the above time line for each phase is dependent on timely provision of information and documents from the City of St. Charles and the County, as well as timely authorization to proceed with each successive phase. Ehlers will make every effort to complete each phase within the time line.

Resources

The City of St. Charles has indicated it will provide a preliminary map of the suggested Business District as well as other planning documents. Other items provided by the City will assist in documenting eligibility of the proposed Business District. Those items include information regarding the number of traffic accidents, any traffic studies conducted by the City or its consultants, and documentation of any outstanding building or life safety code violations for properties or areas within the proposed Business District.

Additional information needed for the Business District Plan includes information on any pending development proposals and engineering studies or cost estimates of proposed public improvements.

The City will be responsible for the legal description and publication and mailing of all notices related to the adoption process.

The City will authorize and direct its administration, attorneys, bond counsel, accountants, engineers, architects, actuaries, and other consultants to prepare and furnish such information as may be reasonably necessary for Ehlers to carry out its duties and obligations, all at no cost to Ehlers.

Cost Proposal

Ehlers charges a flat fee for Business District development, qualification, and adoption services. The project will be completed for the costs provided below, which includes all time, materials, and expenses associated with two iterations of the documents.

Phase I – Address Area Eligibility	\$12,000
Phase II - Prepare Business District Plan	\$9,000
Phase III - Adoption of Business District	\$4,000
Total for Phases I – III	\$25,000

If during Phase I it is determined that the area does not meet the statutory requirements for designation as a Business District, the contract will be concluded and only fees for Phase I will be billed.

Over the course of the assignment, additional services may be required for the development, qualification, and adoption of the proposed Business District that are not included in the Scope of Services. As authorized by the City, Ehlers will participate in additional meetings and will complete additional assignments outside of the proposed Scope of Services to assist the City. Other additional services could include work associated with boundary changes after completion of reports, crossing into a new tax year, extended delays in receiving comments and changes to documents, additional research and analysis associated with changes to the development program or Business District boundaries, delays that require updating addresses or survey data, or mapping.

Any additional service requested or required for the development, qualification, and adoption of the proposed Business District will be submitted to the City for authorization prior to its completion and will be subject to Hourly Billing Rates of \$195.00 per hour.

Agreement

This proposal is respectfully submitted by authorized representatives of Ehlers & Associates, Inc.:

Nancy Hill, AICP, Financial Advisor

Todd Taves, Financial Advisor
Principal

The City of St. Charles, Illinois hereby accepts the above Proposal for the Business District Development, Qualification, and Adoption Services by its authorized officers, this _____ day of _____, 2012.

Attest: _____

By: _____

Title: _____

Title: _____

Please send a copy of this page with original signature to:

Ehlers & Associates, Inc.
550 Warrenville Road, Suite 220
Lisle, IL 60532